

**GATEWAY ECONOMIC DEVELOPMENT  
CORPORATION OF GREATER CLEVELAND**

**Minutes of a Meeting of the  
Board of Trustees**

**Held on May 29, 2019  
12:00 o'clock p.m.**

**Offices of  
Climaco, Wilcox, Peca & Garofoli Co., L.P.A.  
55 Public Square, Suite 1950  
Cleveland, Ohio**

There being a quorum present, Mr. Silliman called the meeting to order at approximately 12:05 p.m. Board members Ken Silliman, Matt Carroll, Davida Russell and David Ebersole were present. Also present were Todd Greathouse, Brian Kelly, and Daniella Nunnally of Gateway, as well as Dennis Wilcox and Scott Simpkins as Gateway's General Counsel. Also present was Gateway's Engineering Consultant David Faller. Present from Stifel Nicolaus on behalf of Cuyahoga County was Robert Franz. Present from the Indians was Neil Weiss. Present from the media was Courtney Astolfi of cleveland.com and Nick Castele of Ideastream. Present from the public was William Tarter and Lincoln Luzar.

Mr. Silliman, as Chairman, opened the meeting and asked for approval of the Minutes of the February 13, 2019 meeting. Upon motion made by Mr. Carroll, and seconded by Mr. Ebersole, the Minutes were unanimously approved 4-0.

Next, Mr. Silliman asked if there was any public comment. Mr. Tartar expressed his appreciation that the Board meeting agendas and minutes are posted on Gateway's website, but noted that the February 2017 meeting minutes were not included. Mr. Tartar also asked about the protocol and procedure for major capital repair requests and whether if, in the future there is a request by one of the teams and insufficient funds to accommodate the request, if that could be deemed a breach of the team's lease agreement. Mr. Wilcox addressed the questions explaining the lease relationships between Gateway and the teams and describing the protocol agreed to by the teams and Gateway for any major capital repair requests. As for the issue of whether a breach could arise in the future, Mr. Wilcox noted that he was not going to get into addressing hypothetical scenarios but did note that there is no definitive set time for response to major capital repair requests. Hearing no further public comments, Mr. Silliman then proceeded to the Executive Director's report.

Mr. Greathouse reported on Arena Major Capital Repair requests. With regard to the HVAC project for the Arena, Mr. Greathouse noted that the main hub has been upgraded with the installation of air-handling forty-five percent complete and the supply exhaust fans seventy percent complete. The building automation system will provide real time feedback and the

project is currently under its \$28 million budget by approximately \$800 thousand. With regard to the \$3.375 million ADA restroom renovations, they have been renovating 5 restrooms at a time attending to specifics such as stall dimensions, railings and flooring, and the Cavaliers have been working with the County accessibility representative. Mr. Greathouse then addressed the \$3.873 million ice floor and chiller plant project. He noted that the schedule had been pushed behind somewhat due to the Monster's playoff run but that design work has begun and that the ice floor itself is in good condition. They intend on getting RFPs issued in June and award the project to the successful bidder towards the end of 2019.

Ms. Nunnally then provided an update on the Arena Transformation Project and the inclusion reports contained in the Board materials. Ms. Nunnally first addressed the current status of the various areas of the project including that on the north expansion where the slabs, ramps and stairs are being poured, three elevators are prepared to be installed, and the roof and curtain wall are going up. On the south hardscape, they are working on the drainage under the new bollards, grade elevations, and waterproofing the garage. Ms. Nunnally also referred the Board to the photos in the Board materials showing the northeast corner bollard installation and the new exterior signage installation.

Ms. Nunnally then addressed the diversity and inclusion summary reports in the Board materials and stated that so far almost 70 percent of the total \$72,941,038 contracted to date for the Transformation tax has been spent on MBE, FBE and SBE firms. Breaking this down, the figures for MBE are 21 percent, FBE is at 34 percent, and SBE is at 58 percent (noting that some firms are in more than one category). Ms. Nunnally then referred the Board to the MBE Contracting Breakdown in the Board materials which breaks down the MBE participation between African-American, Hispanic, and Other Minority percentage participation. Ms. Nunnally also noted that the workforce participation results are all above the stated goals with minority at 23.6%, female at 5.6%, Cuyahoga County residents at 52%, City of Cleveland residents at 24%, and low income participation at 4%. Ms. Nunnally also indicated that she and Dr. Melissa Burrows have spoken regarding the new workforce participation changes to be implemented.

Mr. Greathouse then provided an update on the \$4.227 million escalator major capital project at the Ballpark. Schindler has been selected as the escalator contractor and Gateway and the Indians, with the assistance of Osborne, have submitted the shop drawings for fabrication. The units are currently in production and installation will begin at the conclusion of the baseball season.

Next, the financial reports were given by Mr. Kelly. He first reviewed the operating account for the month ended April 30, 2019 and reported a cash beginning balance of \$418,758, total receipts of \$289,602, and total disbursements of \$381,757 for a month-end balance of \$326,603. He then reviewed the Ballpark Capital account for April which had a beginning balance of \$5,122, receipts of \$208,761, and capital disbursements of \$207,483 for an ending balance of \$6,400.

Mr. Kelly then reviewed the projections from May 1<sup>st</sup> through July 31, 2019. First, the May 1, 2019 account balance is \$326,603, anticipated revenues are \$1,676,828, for estimated money

before disbursements of \$2,003,431. Operating disbursements are anticipated to be \$1,827,178, for an estimated balance by July 31 of \$176,254. On the same summary sheet, Mr. Kelley then addressed the property tax and business improvement district summary identifying total 2<sup>nd</sup> half taxes/BID of \$811,329, composed on \$542,118 for the Indians and \$269,211 for the Cavaliers.

Mr. Kelly then provided a Rocket Mortgage Fieldhouse major capital spreadsheet. Mr. Kelly reported the total amount approved thus far taking into consideration the various category reductions equals \$26,384,721, with Major Capital paid of \$24,920,188. He then discussed the Transformation project and noted the cumulative amount submitted is \$101,616,192, with a remaining balance of \$39,338,807 of the total \$140,955,000 amount for the Transformation Project from bond proceeds. Mr. Silliman noted that, after the \$140,955,000 amount, the Cavaliers self-fund the balance of the project costs and indicated that approximately six months after the project started, the Cavaliers had already committed to an additional \$45 million for the transformation project.

He then addressed the Ballpark Alterations account noting that 2019 total receipts and disbursements is \$3,203,621 and \$3,200,537 respectively and since 2014 the total is over \$44 million. Mr. Kelly then provided a Progressive Field major capital account spreadsheet. The cumulative Major Capital amount submitted equals \$37,415,629, and total paid of \$37,299,176 with a variance of \$116,453. Mr. Kelly noted that if there are excess funds due to project cost savings, Gateway submits a reallocation request to the County to previously approved items. Mr. Silliman noted that this is the ballpark portion of the \$60 million 2015 bond issue.

Mr. Silliman then asked Mr. Wilcox to address Resolution No. 2019-3 which would authorize Gateway to enter into a new cooperative agreement with the County related to reimbursement and/or payment for major capital repairs in connection with the County's new bond issue and to authorize execution of the new cooperative agreement. After Mr. Wilcox introduced and described Resolution No. 2019-3, Mr. Silliman asked the Board if there were any questions and, having heard no questions, asked if there was a motion to approve. Based on the presentation and motion by Mr. Carroll and seconded by Ms. Russell, the following Resolution 2019-3 was unanimously approved by the Board:

#### RESOLUTION NO. 2019-3

#### RESOLUTION AUTHORIZING COOPERATIVE AGREEMENT IN CONNECTION WITH CUYAHOGA COUNTY 2019 GENERAL OBLIGATION BONDS

WHEREAS, Gateway Economic Development Corporation of Greater Cleveland ("Gateway") has previously requested Cuyahoga County, Ohio ("County") to pay for certain expenses relating to the leases with the Cleveland Indians and Cleveland Cavaliers known as major capital repairs ("Major Capital Repairs"); and

WHEREAS, in 2015, the County issued certain Excise Tax Bonds (the "2015 Bonds") to pay for such Major Capital Repairs; and

WHEREAS, in connection with the 2015 Bonds, the County and Gateway entered into a cooperative agreement to memorialize their agreement on use of the proceeds of the 2015 Bonds for Major Capital Repairs; and

WHEREAS, the County has determined to refund the 2015 Bonds and to issue new Bonds (the “2019 Bonds”); and

WHEREAS, the County and Gateway desire to enter into a new Cooperative Agreement for the 2019 Bonds to provide for use of the proceeds for Major Capital Repairs (“Cooperative Agreement”).

NOW, BE IT RESOLVED, that the Board of Trustees of Gateway Economic Development Corporation of Greater Cleveland:

1. That the Cooperative Agreement substantially on the form on file is hereby authorized and approved.

2. That the Chair, Vice-Chair, Secretary and Executive Director, and each of them, are authorized to sign the Cooperative Agreement in substantially the form on file and to carry out its terms and take actions necessary for the issuance of the 2019 Bonds.

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Mr. Silliman then stated that, to keep things in perspective in light of the County meeting related to the new bond issue the previous day, Mr. Silliman wanted to note that the County and voters had created a long-term funding source for the upkeep of the ageing arena and ballpark structures and this funding mechanism was designed to avoid some of the problems that exist in other cities regarding maintenance and upkeep of such structures.

Mr. Silliman stated that the Board would be next going into executive session in order to discuss specialized details of security arrangements where disclosure of the matters discussed might reveal information that could be used for the purpose of committing, or avoiding prosecution for, a violation of the law. Mr. Silliman advised that at the conclusion of the executive session, the Board meeting would conclude with no further action taken except to adjourn the meeting but that everyone was free to remain outside the Board meeting room and return at the conclusion of the executive session. Thereafter, Mr. Carroll moved that the Board adjourn into Executive Session for the purpose described by the Chairman, seconded by Mr. Ebersole and, upon a roll call vote, unanimously approved. The Board then went into Executive Session at 12:35 p.m.

After exiting Executive Session, upon motion made by Mr. Carroll, seconded by Mr. Ebersole, and unanimously approved, the Board adjourned the meeting at approximately 12:48 p.m.

APPROVED:

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Secretary-Treasurer